

AGENCY MEMBERS PRESENT

Caldwell, Gene, M.D., Chairman
Atchley, Bryan, Vice Chair
Coile, Kristin, designee for the Commissioner of Commerce and Insurance
Collier, David, M.D., designee for the TennCare Director
Handorf, Charles, M.D.
Koella, Carl, III,
Lammert, Gregory
Troy, Peggy
Weaver, Faye, designee for the Comptroller of the Treasury

AGENCY STAFF PRESENT

Hill, Melanie, Executive Director
Bobbitt, Melissa, Administrative Services Assistant II
Brogden, Reid, General Counsel
Christoffersen, Jim, Deputy General Counsel
Farber, Mark, Assistant Executive Director
Finchum, Rhonda, Office Manager
Grimm, Jeff, Health Planner III
Holliman, Pam, Administrative Assistant I
Wells, Phil, Health Planner III

GUESTS PRESENT

Adams, Eddie, Asst. Administrator, Southern Tennessee Medical Center
Adkins, Robin, Director of Nursing, Compassionate Hearts Healthcare
Baker, E. Graham, Esq., Weeks, Anderson, & Baker
Bayne, Fred W., President/CEO of Home Health Care of East Tennessee
Bouldin, LaDue, Grundy County Mayor
Brown, Dere, NHC
Brown, L. Keith, M.D.
Bryant, Stacy, Maxim Healthcare Services
Clark, Van, CFO, Woodcrest at Blakeford at Green Hills
Cober, Karen, Medical Center Home Care Services
Cochran, Sheila, Priority Healthcare Services of Tennessee, Inc.
Corritore, Danell, Department of Health
Cravens, Tom, Esq., Kramer, Rayson, Leake, Rodgers & Morgan
Culp, Joe, Department of Health
Damons, Joanna, Asst. Commissioner, Department of Mental Retardation Services (DMRS)
Duncan, Bruce, NHC
Eason, William, M.D., HealthSouth.
Elliott, Thomas
Elrod, Dan H., Esq., Miller & Martin
Forster, Jerry, University of the South, Sewanee
Gooch, Warren L., Esq., Kramer, Rayson, Leake, Rodgers & Morgan
Gore, Beckie
Green, Lawrence A., Director of Clinical Services, Maxim Healthcare Services
Green, Robin-Senior Executive Director, Beverly Healthcare
Greer, Patrick R., M.D.
Hayes, Denise
Hayes, Rand, M.D., Radiologist
Helton, Peggy, Interim Healthcare of East Tennessee
Hodger, Daniel, Compassionate Hearts Healthcare
Holder, T. Scott, M.D., Elk River Imaging
Hullon, Gursheet, M.D.
Isley, L. Lee, Morristown Hamblen Home Health and Hospice

Jamagin, Sandy, Co-Owner, Interim Healthcare of East Tennessee
Jinks, Pamela, Morristown Hamblen Home Health and Hospice
Johnson, Carmen, Compassionate Hearts Healthcare
Johnson, Trenia, LPN, Compassionate Hearts Healthcare
Kalinorto, Deborah, Maxim Healthcare Services
Kusenda, David, Maxim Healthcare Services
Linda Rogers
Lopez, Teresa Ann
Matthews, Sharon
Miller, Anthony, Compassionate Hearts Healthcare
Miller, Irene, RN Director, Maxim Healthcare Services
Mitchell, Paula, Baptist Home Care
Moore, Wendy
Ockerman, Jeff, Esq., Stites and Harbison, PLLC
Phillips, Ron, Director of East Tennessee Children's Hospital of Knoxville;
Pridemore, Patricia, Compassionate Hearts Healthcare
Puri, Chris, THCA
Rogers, Linda, Elk River Imaging
Smith, Thomas A., M.D.
Snead, Jr., Gene F., Vice Mayor of Winchester
Spray, Russ, Southern Tennessee Medical Center
Sylvia, John, Baptist Health System of East Tennessee
Taylor, Jerry W., Esq., Farris, Mathews, Branam, Bobango, Hellen & Dunlap, PLC
Tepedino, Michael, M.D.
Trauger, Byron, Esq., Trauger, Ney & Tuke
Tulin, Matt, CFO, Southern Tennessee Medical Center
Unger, Dayle, CEO/Administrator, HealthSouth Cane Creek Rehab Hospital
Wade, Maxine, Executive Director, Monteagle Mountain Chamber of Commerce
Wang, Ming, M.D., Wang Vision Center
Wellborn, John L., Development Support Group
West, William H., Esq., Baker, Donelson, Bearman, Caldwell, & Berkowitz
Williams, Clinton, President, Win-Ten, Inc.
Winters, Deborah, M.D.
York, Ken, City Manager of Springhill

Chairman Caldwell called the meeting to order at 8:30 a.m. in the Main Auditorium of the Bell South Tower, Nashville, Tennessee.

DIRECTOR'S ANNOUNCEMENTS

Melanie Hill, Executive Director, announced the reappointments of Mr. Koella and Dr. Handorf. The Life Care Center of Sparta Certificate of Need application was withdrawn. A one-month deferral was granted for the two Assertive Medical, Inc. applications.

Dr. Handorf left meeting.

ELECTION OF VICE-CHAIR PERSON

Ms. Hill requested nominations for vice-chair. Mr. Koella nominated Mr. Atchley as Vice-Chair. Ms. Troy seconded the nomination. No other nominations were made. The nomination CARRIED [7-0-1].

AYE: Weaver, Koella, Lammert, Troy, Flowers, Collier, Caldwell

NAY: None

ABSTAINED: Atchley

CERTIFICATE OF NEED APPLICATIONS

Mark Farber summarized the following CON applications:

Compassionate Hearts Home Health, LLC - (Morristown, Hamblen County) - Project No. CN0503-023

The establishment of a home care organization providing home health services. A full range of home health services, including, but not limited to, skilled nursing, private duty nursing, physical therapy, occupational therapy, speech therapy, wound care, psychiatric consultation and social worker services will be provided. The proposed service area will include: Hamblen, Hancock, Hawkins, Jefferson, Greene, Cocke, Grainger and Claiborne counties. The parent office will be located in Morristown (Hamblen County), Tennessee. Project Cost is \$88,000.00.

E. Graham Baker, Esq., representing the applicant, addressed the Agency and Robin Adkins, RN, spoke on behalf of the applicant. Trena Johnson, and Teresa Lopez spoke in support. Patricia Pridemore, Anthony Miller, Carmen Johnson and Daniel Hodger were present in support of the applicant.

Opposing the project: Dan H. Elrod, Esq., representing Premier Home Health Services d/b/a Interim Healthcare Services; Jerry W. Taylor, Esq., representing, UPMC Home Care and St. Mary's Home Care; Sheila Cochran, Director of Staffing, Priority Healthcare Services of Tennessee, Inc.; Warren L. Gooch, Esq., representing, Morristown-Hamblen Home Care and Hospice, Baptist Home Care of Knoxville and Claiborne Home Health Care; Ron Phillips, Director of East Tennessee Children's Hospital of Knoxville; Karen Cober, Director of Medical Home Care Services of Johnson City. Present in opposition were: Sandy Jamagin, Co-Owner, and Peggy Helton, Administrator, Interim Healthcare of East Tennessee; Paula Mitchell, Administrator, Baptist Home Care; John Sylvia, Director, Baptist Health System of East Tennessee; Tom Cravens, Esq.; L. Lee Isley, COO, and Pamela Jinks, Manager, Morristown-Hamblen Healthcare System.

Mr. Baker rebutted.

Mr. Lammert moved for denial of the project based on: 1) Need – The need has not been demonstrated by the applicant; 2) Economic Feasibility – The project is not economically feasible based on information provided; and 3) The project does not contribute to the orderly development of adequate and effective health care in the eight (8) counties requested. Ms. Troy seconded the motion. The motion CARRIED [7-0-1]. **DENIED**

AYE: Troy, Lammert, Koella, Atchley, Weaver, Collier, Caldwell

NAY: None

ABSTAINED: Coile

Dr. Handorf returned to the meeting.

Wang Vision Institute Surgery Center - (Nashville, Davidson County) - Project No. CN0503-020

The establishment of an ambulatory surgical treatment center (ASTC) limited to outpatient ophthalmic surgical procedures. Project Cost is \$1,288,540.00.

William H. West, Esq., representing the applicant, addressed the Agency. Dr. Ming Wang spoke on behalf of the project.

Mr. Koella moved for approval of the project based on: 1) Need – The need is met, especially in regards to training the residents for UT Medical School, and by serving other patients; 2) Economic Feasibility – The project is economically feasible through commercial loans; and 3) The project does contribute to the orderly development of adequate and effective health care and is licensed properly. Dr. Collier seconded the motion. The motion CARRIED [9-0-0].

APPROVED

AYE: Coile, Troy, Lammert, Koella, Atchley, Handorf, Weaver, Collier, Caldwell

NAY: None

Mountainview Rehabilitation and Nursing Center - (Winchester, Franklin County) - Project No. CN0504-025

The construction of a twenty-four (24) bed dedicated Advanced Alzheimer's Unit. The project includes twenty (20) new beds and replacement of four (4) beds, increasing the total bed complement from the current licensed 120 dually certified nursing home beds to 140 nursing home beds. * These beds are subject to the 2004-2005 125-bed nursing home pool. Project Cost is \$1,349,655.00.

Jeff Ockerman, Esq., representing the applicant, addressed the Agency. Robin Green, Senior Executive Director, Beverly Healthcare, spoke on behalf of the project.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is demonstrated as the current Alzheimer's Unit is 100% occupied. They are the sole provider of these specialized services in their county; 2) Economic Feasibility – The project is economically feasible and cash reserves provided by the parent company are available; and 3) The project does contribute to the orderly development of adequate and effective health care as they are licensed and are a TennCare provider that has a sound programmatic basis for taking care of our aging population. Mr. Atchley seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Coile, Troy, Lammert, Koella, Atchley, Handorf, Weaver, Collier, Caldwell
NAY: None

Cane Creek Rehabilitation Hospital - (Martin, Weakley County) - Project No. CN0504-027

The conversion of twenty (20) acute rehab beds to swing beds. The facility currently is licensed as a forty (40) bed rehabilitation hospital. * These beds are subject to the 2004-2005 125-bed nursing home pool. Project Cost is \$48,000.00.

Byron Trauger, Esq., representing the applicant, addressed the Agency. Present in support of the project were: Dayle Unger, CEO/Administrator, and Dr. William Eason, HealthSouth.

Ms. Coile moved for approval of the project based on: 1) Need – The applicant has proven the need by turning away patients; 2) Economic Feasibility – The project is economically feasible with operating funds; and 3) The project does contribute to the orderly development of adequate and effective health care as they have a lot of support from both state officials and the local hospital. They serve a significant portion of Medicare patients and lastly they need to do this to meet bureaucratic federal rules. Ms. Troy seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Coile, Troy, Lammert, Koella, Atchley, Handorf, Weaver, Collier, Caldwell
NAY: None

Assertive Medical, Inc. - (Hohenwald, Lewis County) - Project No. CN0504-028

The establishment of a home care organization to provide a full range of home health services in: Lewis, Perry, Hickman, Lawrence, Maury, Marshall, Bedford, Moore, Lincoln, Giles and Wayne counties. The parent agency will be located at 519 W. Main Street, Hohenwald (Lewis County), Tennessee 38462. Project Cost is \$272,700.00.

Deferred to the August meeting.

Assertive Medical, Inc. - (McMinnville, Warren County) - Project No. CN0504-030

The establishment of a home care organization to provide a full range of home health services in: Warren, Cannon, Coffee, Franklin, Grundy, Marion, Sequatchie, Hamilton, Van Buren, White, Cumberland, Putnam, Jackson, Smith and DeKalb counties. The parent agency will be located at 597 Shelbyville Road, McMinnville (Warren County), Tennessee 37110. Project Cost is \$353,000.00.

Deferred to the August meeting.

Life Care Center of Sparta - (Sparta, White County) - Project No. CN0504-029

The addition of twenty (20) skilled nursing facility beds to the existing one-hundred (100) nursing home beds. Twenty (20) assisted living care facility beds will be converted to nursing home beds. The total licensed capacity of the facility will be one-hundred twenty (120) beds. The beds will be dually certified for Medicare and Medicaid. *These beds are subject to the 2004-2005 125-bed nursing home pool. Project Cost is \$769,000.00.

Withdrawn.

Elk River Imaging, LLC - (Winchester, Franklin County) - Project No. CN0504-031

The establishment of an outpatient diagnostic center (ODC); the acquisition of major medical equipment including magnetic resonance imaging (MRI) and computerized tomography (CT) scanners; and the initiation of MRI services. Project Cost is \$10,962,882.00.

Byron Trauger, Esq., representing the applicant, addressed the Agency. Speaking on behalf and/or in support of the project were: Dr. Thomas A. Smith; Dr. T. Scott Holder; Thomas Elliott; Gene F. Snead, Jr., Vice Mayor of Winchester; Clinton Williams, President, Win-Ten, Inc.; Dr. Patrick R. Greer; and Robert E. Davis, Radiologist. Present were: Dr. Deborah Winters, Dr. Gursheet Hullon, and Denise Hayes.

Opposing the project were: Dan H. Elrod, Esq., representing Southern Tennessee Medical Center's satellite facility in Sewanee Tennessee; Russ Spray, CEO, Southern Tennessee Medical Center; William H. West, Esq., representing Harton Regional Medical Center in Tullahoma; Dr. L. Keith Brown, Owner, Summit OPEN MRI; Dr. Michael Tepedino, Chief of Surgery, Southern Tennessee Medical Center; Jerry Forster, CFO, University of the South, Sewanee; and LaDue Bouldin, Mayor, Grundy County. Present were: Wendy Moore; Linda Rogers; Maxine Wade, Executive Director, Monteagle Mountain Chamber of Commerce; Eddie Adams, Asst. Administrator, Southern Tennessee Medical Center; and Matt Tulin, CFO, Southern Tennessee Medical Center.

Mr. Trauger rebutted.

Dr. Handorf moved for denial of the project based on: 1) Need – The need has not been demonstrated. It appears that there is adequate capacity in the surrounding communities and in the community to serve the need.; 2) Economic Feasibility – The project's economical feasibility is in question; and 3) The project does not contribute to the orderly development of adequate and effective health care because it will hurt the area hospitals with their delivery of care in the system. Instability is a factor with the uncertainty of TennCare. Ms. Weaver seconded the motion. The motion CARRIED [5-4-0]. **DENIED**

AYE: Troy, Handorf, Weaver, Collier, Caldwell
NAY: Coile, Lammert, Koella, Atchley

Maxim Healthcare Services, Inc. - (Chattanooga, Hamilton County) - Project No. CN0504-033

The establishment of a home care organization to provide home health services to non-Medicare pediatric, adult, and geriatric populations in the counties of Bradley, Grundy, Hamilton, Marion, McMinn, Meigs, Rhea and Sequatchie. The parent agency will be located at 6166 Shallowford Road, Suite 1105, Chattanooga (Hamilton County), Tennessee 37421. Project Cost is \$166,383.00.

Bryon Trauger, Esq., representing the applicant, addressed the Agency. Speaking on behalf of the project were: Deborah Kalinorto, Regional Director; Joanna Damons, Assistant Commissioner, on behalf of Deputy Commissioner Stephen H. Norris, Department of Mental Retardation Services (DMRS); Beckie Gore; Sharon Matthews; and Stacy Bryant. Present in support were: Lawrence A. Green, Director of Clinical Services; Irene Miller, RN Director; and David Kusenda, Accounts Manager.

Fred W. Bayne, President/CEO, Home Health Care of East Tennessee opposed the project.

Mr. Trauger rebutted.

Ms. Troy moved for approval of the project based on: 1) Need – The need is evident for the special needs population supported by the referring bodies that take care of the individuals that need this care and for the ones providing the care of these patients, particularly the children; 2) Economic Feasibility – The project is economically feasible; and 3) The project does contribute to the orderly development of adequate and effective health care. Ms. Coile seconded the motion. The motion CARRIED [7-2-0]. **APPROVED**

AYE: Coile, Troy, Koella, Atchley, Handorf, Collier, Caldwell
NAY: Lammert, Weaver

Spring Hill Imaging Center - (Spring Hill, Maury County) - Project No. CN0504-034

The establishment of an outpatient diagnostic center (ODC); acquisition of magnetic resonance imaging (MRI), computerized tomography (CT) and other diagnostic equipment and the initiation of MRI services in 4,017 square feet of space in an existing medical office building. Project Cost is \$5,513,128.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Speaking on behalf of the project were Dr. Rand Hayes, Radiologist, and Ken York, City Manager of Springhill.

Mr. Koella moved for approval of the project based on: 1) Need – The need is clear as the regional hospital supports the proposed outpatient diagnostic center and they have the support of the local council. The initiation of services is there as well from the population growth; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care as their licenses are appropriate. Mr. Atchley seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Coile, Troy, Lammert, Koella, Atchley, Handorf, Weaver, Collier, Caldwell
NAY: None

GENERAL COUNSEL'S REPORT

Reid Brogden, General Counsel, summarized the following modification requests:

Woodcrest at Blakeford at Green Hills (Nashville, Davidson County) CN0304-021A

Request for a nineteen (19) month extension of the expiration date from October 1, 2005 to May 1, 2007 and a \$381,017.00 increase of the project cost from \$1,499,124.00 to \$1,881,017.00. This project was approved at the August 27, 2003 Agency meeting for the addition of thirty (3) Nursing Level II Medicare only beds increasing the continuing care retirement center to seventy (70) Medicare SNF beds.

Dan H. Elrod, Esq., representing the applicant was present and Van Clark, CFO spoke on behalf of the request.

Mr. Koella moved for approval of the request. Mr. Atchley seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Coile, Troy, Lammert, Koella, Atchley, Handorf, Weaver, Collier, Caldwell
NAY: None

DISCUSSION

The Agency considered new guidelines for modifications.

Mr. Koella motioned to approve modification. Mr. Atchley seconded.

AYE: Coile, Troy, Lammert, Koella, Atchley, Handorf, Collier, Caldwell
NAY: None

ABSTAINED: Weaver

CURRENT REPORTS

Statistical Reports

The reports were accepted into the record.

Finance, Ways and Means Committee Reports

The reports were accepted into the record.

Minutes

Mr. Koella moved for approval of the June 22, 2005 minutes as presented. Dr. Handorf seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

The minutes of the June meeting were accepted by unanimous voice vote.

ADJOURNMENT

There being no further business, the meeting was adjourned.

Melanie M. Hill, Executive Director

MMH/mab